



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 300
DENVER, CO 80202-2466
<http://www.epa.gov/region08>

FEB - 1 2001

Ref: 8ENF-T

VIA FACSIMILE and CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kent Gilbert
Wattenberg Disposal LLC
1675 Broadway, Suite 2800
Denver, Colorado 80202

Re: UNDERGROUND INJECTION CONTROL (UIC)
Permission To Resume Injection
Suckla Farms #1 (EPA ID CO1516-02125)
Spindle Field
Weld County, Colorado

Dear Mr. Gilbert:

On February 1, 2001, Mr. Ohlemeier of your field office FAX'd the data for a February 1, 2001 mechanical integrity test (MIT), and the well rework record (EPA Form 7520-12). The data submitted demonstrates that the Suckla Farms #1 well has passed the required MIT. Therefore, pursuant to 40 CFR §144.51(q)(2), Wattenberg Disposal LLC may resume injection into this well.

The next demonstration of mechanical integrity as defined at Title 40 of the Code of Federal Regulations (40 CFR) Section 146.8(1)(a) will be due on or before January 31, 2003. Please note that our letter, dated August 25, 2000, inadvertently implied that the frequency of this MIT requirement is every five (5) years. In fact, pursuant to Part II(C)(2)(c) of your UIC permit, this MIT demonstration must take place at least every two (2) years. If the well is to be temporarily abandoned (TA'd), EPA should be notified. If the well is abandoned for more than two (2) years, it shall be plugged and abandoned in accordance with UIC regulations unless sufficient reasons are provided by Wattenberg Disposal LLC to extend the TA status.



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Failure to comply with UIC regulations found at 40 CFR, Parts 144 and 146 are violations of the Safe Drinking Water Act, 42 U.S.C. 300h and subject to enforcement by EPA.

If you have any questions concerning this letter, you may contact Ken Phillips at (303) 312-6405. Also, please direct all correspondence to the attention of Ken Phillips at Mail Code 8ENF-T.

Sincerely,

A handwritten signature in cursive script that reads "Connally E. Mears".

Connally E. Mears, Director
Technical Enforcement Program



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999 18TH STREET - SUITE 300

DENVER, CO 80202-2466

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Ref: 8ENF-T

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Mr. Kent Gilbert
V.P. Exploration & Production
Wattenburg Disposal LLC
1675 Broadway, Suite 2800
Denver, CO 80202

RE: Underground Injection Control (UIC)
Suckla Farms #1 Well
Class I Permit CO1516-02115
Weld County, Colorado
Part A - Notice of Violation
Part B - Request For Information
Part C - Requirement to Increase Financial
Responsibility

Dear Mr. Gilbert:

This letter is written to address three issues with regard to the above-referenced Class I injection well. The letter is divided into three parts to separately discuss these three issues. Part A is a notice of violation with regard to certain testing requirements in the permit. Part B is an information request to determine the degree of potential endangerment to underground sources of drinking water. Part C concerns the amount of financial responsibility Wattenburg Disposal LLC currently carries for the proper plugging and abandonment of this well.

Part A - Notice of Violation

Wattenburg Disposal LLC became the effective permittee on February 6, 1998, when it acquired the well (and therefore the permit) from the previous permittee, Wright's Disposal Inc. As required by the above-referenced operating permit at Part II (C)(2)(c)(i), the permittee must conduct a Radioactive Tracer Survey (RTS) and/or Temperature log (TL) at five-year intervals. The most recent RTS and TL were performed on July 12, 1993. The next such test was due on or before July 12, 1998. Therefore, Wattenburg Disposal LLC, the current permittee, is in violation of the requirement to conduct an RTS and/or TL every five years.



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Part B - Request for Information

Under Title 40 of the Code of Federal Regulations (40 CFR) § 144.27 (a) (enclosed), the U.S. Environmental Protection Agency (EPA) is requesting that Wattenberg Disposal LLC provide the information enumerated below. EPA's purpose for obtaining the first enumerated information is to determine and understand the site specific assessment of the potential for fluid movement from the well or injection zone due to possible changes in (a) injection zone formation pressure or (b) injection zone permeability. EPA's purpose for obtaining the second enumerated information is to ensure that the waste injected was compatible with the well materials and injection zone lithology in order to determine the likelihood that the waste injected did not enter a USDW.

1. The above-referenced Class I operating permit at Part II(A)(5)(c) requires that the permittee must annually conduct a Pressure Fall-Off test and the results must be analyzed in report form for comparison with each previous years' results. Please submit copies of all Pressure Fall-Off tests and their comparison reports since the well was acquired in 1998 by Wattenberg Disposal LLC.

2. Any and all information regarding the waste dumping episode that was reported to EPA inspectors on April 18, 2001 by Bill Dean of your staff. EPA inspectors report that a load of several barrels of waste was found in the concrete sump at the front (south side) of the facility on Saturday morning, April 14, 2001. Mr. Dean stated that he pumped this waste fluid into the waste system and that it was ultimately injected into the well. Please submit records of chemical analysis of this fluid, transportation logs and tickets associated with the load, and any other information you have with regard to the nature of the waste load found in the concrete sump on April 14, 2001.

Part C - Requirement to Increase Financial Responsibility

After reviewing your financial responsibility file, EPA has determined that the present amount of your bond to plug and abandon the Suckla Farms #1 well is insufficient to cover the actual cost of proper plugging and abandonment. To the best of EPA's knowledge, proper plugging and abandonment of deep injection wells costs approximately \$6.00 per foot of depth of a well. The Class I operating permit for this well, at Part II(F)(1), requires the permittee to maintain continuous financial responsibility and resources to properly close, plug and abandon the injection well. Your current bond, effective January 27, 2001, in the amount of \$30,000 is far less than \$6.00 per foot. Considering that the well is approximately 9,400 feet deep, the bond should be increased to at least \$56,400. Please submit either an updated bond or a rider to your existing bond to reflect this updated cost to properly plug and abandon the Suckla Farms #1 injection well. The updated bond or rider must be accompanied by an updated Schedule A and B (enclosed).

Response to this Letter

Failure to provide the information requested within the specified time will be considered a violation of 40 CFR 144.51. Additionally, any person who violates any requirement of the UIC program is subject to enforcement action under Section 1423 of the SDWA, 42 U.S.C. § 300h-2, et seq. Enforcement may include civil penalties of up to \$11,000 for each day for each violation to a maximum of \$137,500 and mandate compliance with all provisions of the SDWA. If the violation is willful, criminal penalties may be prosecuted in accordance with Title 18 of the United States Code.

Within (30) days of receipt of this letter, please respond in writing describing: 1) what action(s) have been taken to correct this situation; 2) how you intend to prevent any recurrence in the future; or 3) why the information cited above is in error.

If you have any questions or comments concerning this letter, you may contact Ken Phillips at (303) 312-6405. Also, please direct all correspondence to the attention of Ken Phillips at Mail Code 8ENF-T in our Denver office.

Sincerely,



Connally Mears, Director
Technical Enforcement Program

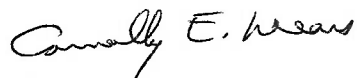
Enclosures: UIC Regulations at 40 CFR §144.27
Schedules A and B
SBREFA Fact Sheet

cc: Doug Ikenberry, P.E.
Colorado Dept. of Public Health

Cindi Etchevery, Environmental Health Specialist
Weld County Dept. of Public Health and Environment

If you have any questions regarding this letter, you may contact Ken Phillips of my staff at 303-312-6405. Also, please direct all correspondence to the attention of Ken Phillips at Mail Code 8ENF-T.

Sincerely,

A handwritten signature in cursive script that reads "Connally E. Mears".

Connally E. Mears, Director
Technical Enforcement Program

cc: Ken Phillips
Nathan Wiser

STATE OF COLORADO

Bill Owens, Governor
Jane E. Norton, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION
<http://www.cdphe.state.co.us/hm/>

4300 Cherry Creek Dr. S. Denver, Colorado 80246-1530 Phone (303) 692-3300 Fax (303) 759-5355	222 S. 6th Street, Room 232 Grand Junction, Colorado 81501-2768 Phone (970) 248-7164 Fax (970) 248-7198
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Colorado Department
of Public Health
and Environment

October 4, 2001

Mr. Kent L. Gilbert
K.P. Kauffman Company, Inc.
World Trade Center
1675 Broadway, Suite 2800
Denver, Colorado 80202-4630

REVIEWED

BY: [Signature]

DATE: 10/15/01

RE: Wattenberg Disposal Injection Well Draft Waste Characterization Plan

Dear Mr. Gilbert,

This letter is a response to your February 16, 2001 memo and draft waste characterization plan, both of which were enclosed with your January 10, 2001 letter. Item 4 of your letter states that, "Class II water, which is the primary contributor to the facility, is EXEMPT from RCRA hazardous waste management requirements."

We acknowledge that the Colorado Oil and Gas Conservation Commission has regulatory authority over the disposal of exploration and production wastes from oil and gas operations (e.g., Class II water). However, the Class 1 waste streams proposed for disposal at the Wattenberg facility are subject to the facility's waste characterization plan.

Please incorporate into the waste characterization plan that all specific Class 1 waste streams must be reviewed and approved by the Division per Subsection 1.3.9 of the Regulations Pertaining to Solid Waste Disposal Sites and Facilities 6 CCR 1007-2 (Regulations). Please provide in the plan that each Class 1 waste analysis submitted for EPA authorization must also be submitted to the state and Weld County for review.

Please include in the waste characterization plan that each applicable Class 1 waste stream shall be tested at least annually to demonstrate conformance with the original analysis, per subsection 9.8.1 of the solid waste regulations. Please also add that if any waste is found to differ significantly from the original analysis, the health departments shall be notified in writing within fifteen (15) working days.


We recommend that pertinent portions of subsection 2.1.2 of the Regulations be used as an outline to formulate the facility's Class 1 waste characterization plan. Specific comments regarding the draft waste characterization plan attached to your February 16, 2001 memo are as follows:

Mr. Kent Gilbert
October 4, 2001
Page 2

- 1) Please omit references to Wattenberg Disposal as having not accepted hazardous waste from the plan. Please explicitly describe the procedures to be used to detect and prevent the disposal of hazardous waste and polychlorinated biphenyl (PCB) wastes at the facility.
- 2) Please describe the responsibility of the waste generator in determining if the generator's waste is a hazardous waste pursuant to the Colorado Hazardous Waste Regulations, 6 CCR 1007-3, Part 261. Please also include the site and facility's owner or operator's evaluations, screening methods, and documentation procedures regarding the generator's waste characterization determination.
- 3) Please emphasize that the analysis of any Class 1 waste proposed for disposal at the facility must also be provided to the state and Weld County for review.
- 4) Please omit references to Class II water from the plan.
- 5) Please explicitly describe how any discovered hazardous waste will be immediately "dealt with" and include that the agencies must be notified immediately upon any such discovery. Please add the name and address of the Wattenberg Disposal legal team and the Weld County HAZMAT team.

We look forward to receiving the revised waste characterization plan. Please contact me at 303-692-3389 if you have any questions.

Sincerely,



Douglas M. Ikenberry
Solid Waste Unit
Compliance Program

Cc: Cindi Etcheverry, Weld County Department of Public Health and Environment
Ken Phillips, USEPA
Patricia Beaver, Colorado Oil and Gas Conservation Commission
William C. Allison V, AGO

FILE: SW WLD WTB 2.2

OCT 12 2001

Office of Environmental
Compliance & Enforcement

WATTENBERG DISPOSAL, LLC

1675 BROADWAY, SUITE 2800
DENVER, CO 80202
(303) 825-4822 FAX (303) 825-4825

REVIEWED

BY: Ken Phillips

DATE: 11/14/01

Mr. Ken Phillips
United States Environmental Protection Agency
Region 8
999 18th. St., Suite 300 (8ENF-T)
Denver, CO 80202-2466

November 13, 2001

Dear Mr. Phillips,

This letter is written in response to the letter from Connally Mears received in our office on October 15, 2001.

Please find enclosed the Temperature Log and Pressure Fall-Off tests, run and supervised by Peterson Energy Management. We respectfully request that this will bring us current with our requirements for the Wattenberg Disposal. We are now set up to run the pressure fall-off tests on an annual basis. We elected to run the Temperature survey because of the current state of radioactive materials in the United States.

With regards to the alleged dumping episode that EPA inspectors discussed with Bill Dean at the facility, no instruction or concern was expressed at the time of the discussion by and of the EPA personnel or other regulators present. Bill Dean claims to have a small sample of the water which he took from the estimated seven barrels at the facility. However, it has not been tested because it was such a small sample. Bill Dean believed it to be produced water (Class II) because of his observation and familiarity with the produced water the facility receives on a daily basis. The sample is available for testing, but due to the small amount of fluid obtained, we respectfully request guidance from the EPA as to any specific items they would like to have tested. We do not believe there is enough water to test for all of the parameters required under our monthly or random sampling. Further conversations with Bill Dean have indicated that the water may have been the result of a plugged sump drain and may not have been from someone dumping after hours.

In order to eliminate any chance of this ever happening again, Wattenberg Disposal has installed a security fence around the access to the disposal facility. The fence is locked and secured when the facility is not attended.

RECEIVED

NOV 13 2001

U.S. Environmental Protection Agency
Region 8

Page 2

Please find enclosed a letter from Peterson Energy Management responding to the EPA request for additional bonding on the Wattenberg Disposal Facility. We respectfully submit this analysis and request that our bonding remain as it is. The CDPHE is requesting bonding from the Wattenberg Disposal in an amount yet to be determined for Surface Facility closure and any subsequent monitoring deemed necessary.

If you have any questions regarding this letter or any items therein, please don't hesitate to call me for further discussion.

Sincerely,

A handwritten signature in dark ink, reading "Kent L. Gilbert". The signature is fluid and cursive, with the first name "Kent" and last name "Gilbert" clearly legible.

Kent L. Gilbert
Wattenberg Disposal

KLG/mg

Encl: 2

cc: Doug Ikenberry:
Cindi Etcheverry



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 500
DENVER, CO 80202-2466

JAN 23 2001

Ref: 8ENF-T

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Kent Gilbert
V.P. Exploration & Production
KP Kauffman Company
1675 Broadway, Suite 1970
Denver, CO 80202

Re: UNDERGROUND INJECTION CONTROL (UIC)
Suckla Farms No. 1 Well
Copy of Class I Permit CO1516-02115
Weld County, Colorado

Dear Mr. Gilbert:

Per your request, the EPA is providing KP Kauffman Company, a copy of the well permit for the Suckla Farms No. 1, Class I disposal well. Also included is a copy of a Minor Permit Modification in which the maximum injection pressure was increased to 3700 psi from 2397 psi. Additionally, I've included a copy of our letter dated June 5, 1995, in which EPA notified Martin J. Wohnlick of Wright's Disposal, Inc., of their permit requirement to conduct semiannual environmental audits of the subject well and facilities, naming Stewart Environmental Consultants, Inc., of Fort Collins, Colorado, as the contractor selected.

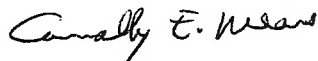
Failure to comply with the permit and its conditions and the UIC regulations found at Title 40 of the Code of Federal Regulations, Parts 144 and 146 are violations of the Safe Drinking Water Act, 42 U.S.C. §300h and subject to further enforcement by EPA.



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If you have any questions regarding this letter, you may contact Ken Phillips of my staff at 303-312-6405. Also, please direct all correspondence to the Attention of Ken Phillips at Mail Code 8ENF-T.

Sincerely,



Connally E. Mears, Director
Technical Enforcement Program

Enclosures: Well Operating Permit - Suckla Farms #1, CO1516-02115
Minor Permit Modification
Letter notifying Wright's Disposal of selection of contractor to perform
environmental audit

cc: Ken Phillips
Nathan Wiser